## Listing of the Claims:

1. (currently amended) A method of forming a powder metal material comprising:

molding a low-alloy iron-containing powder metal composition into a compact;

sintering the compact to provide a sintered compact;

- peening at least a portion of a surface of the <u>sintered</u> compact to densify the at least a portion of the surface; <del>and</del>
- sizing the <u>sintered</u> compact after peening to densify at least a portion of a core region of the <u>sintered</u> compact <u>and provide a sized compact</u>;
- at least one of (i) quenching and tempering the sized compact and (ii) carburizing the sized compact; and
- at least one of shot peening, surface rolling, and honing at least a portion of a surface of the sized compact to introduce compressive stresses into the at least a portion of the surface.
- 2. (cancelled)
- 3. (previously presented) The method of claim 1 wherein the powder metal composition comprises iron and at least one alloying element chosen from nickel, molybdenum, chromium, manganese, copper, and phosphorus.
- 4. (previously presented) The method of claim 1 wherein the powder metal composition is an iron-base powder metal material having a sintered carbon content ranging from 0.02 weight percent to 0.6 weight percent.
- 5. (currently amended) The method of claim 1 wherein peening the sintered compact comprises at least one of shot peening and laser peening.

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- 6. (currently amended) The method of claim 1 wherein <u>peening at least a</u> <u>portion of a surface of the sintered compact comprises shot peening at least a</u> <u>portion of the surface of the sintered compact to densify the at least a portion of the at least one surface after sintering, at least a portion of the surface of the sintered compact is shot peened to densify the at least a portion of the at least one surface.</u>
- 7. (original) The method of claim 6 wherein shot peening the at least a portion of the surface of the sintered compact comprises impacting the at least a portion of at least one surface with shot having a diameter ranging from 0.005 inches to 0.331 inches.
- 8. (original) The method of claim 6 wherein shot peening the at least a portion of the surface of the sintered compact comprises impacting the at least a portion of at least one surface with shot having a diameter ranging from 0.014 inches to 0.046 inches.
- 9. (original) The method of claim 6 wherein shot peening the at least a portion of the surface of the sintered compact comprises impacting the at least a portion of at least one surface with shot for a shot time ranging from 5 minutes to 45 minutes.
- 10. (currently amended) The method of claim 6 wherein immediately after shot peening the at least a portion of the surface of the sintered compact, the at least a portion of the surface of the sintered compact that was shot peened is uniformly densified to a density of at least 98 percent of a theoretical density of the powder metal material to a depth ranging from 0.001 inches to 0.040 inches.

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- 11. (currently amended) The method of claim 6 wherein immediately after shot peening the at least a portion of the surface of the sintered compact, the at least a portion of the surface of the sintered compact that was shot peened is uniformly densified to a density of at least 98 percent of a theoretical density of the powder metal material to a depth of at least 0.002 inches.
- 12. (currently amended) The method of claim 6 wherein immediately after shot peening the at least a portion of the surface of the sintered compact, the at least a portion of the surface of the sintered compact that was shot peened is uniformly densified to a density of at least 98 percent of a theoretical density of the powder metal material to a depth of at least 0.005 inches.
- 13. (currently amended) The method of claim 6 wherein immediately after shot peening the at least a portion of the surface of the sintered compact, the at least a portion of the surface of the sintered compact that was shot peened is uniformly densified to a density of at least 98 percent of a theoretical density of the powder metal material to a depth of at least 0.010 inches.
- 14. (currently amended) The method of claim 6 wherein immediately after shot peening the at least a portion of the surface of the sintered compact, the at least a portion of the surface of the sintered compact that was shot peened is uniformly densified to full density to a depth ranging from 0.001 inches to 0.040 inches.
- 15. (original) The method of claim 1 wherein after sizing, the at least a portion of the core region of the compact has a density of at least 92 percent of a theoretical density of the powder metal material.
- 16. (original) The method of claim 1 further comprising pre-sintering the compact after molding and prior to sintering.

17-18. (cancelled)

18. (currently amended) The method of claim 1 further comprising plating at least a portion of the surface that was densified after sizing the sintered compact.

20-39. (cancelled)

40. (currently amended) A method of forming a powder metal part comprising: molding a low-alloy an iron-containing powder metal composition into a green part comprising at least one tooth having a root region and a flank region;

sintering the green part to provide a sintered part;

- subsequent to sintering the green part, shot peening at least a portion of a surface of the sintered part in at least one of the tooth root region and the tooth flank region to densify the at least a portion of the surface; and
- sizing the part after shot peening to densify at least a portion of a core region of the part and provide a sized part;
- at least one of (i) quenching and tempering the sized part and (ii) carburizing the sized part; and
- at least one of shot peening, surface rolling, and honing at least a portion of a surface the sized part to introduce compressive stresses into the at least a portion of the surface of the part.
- 41. (original) The method of claim 40 wherein the part is chosen from a gear and a sprocket.

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- 42. (currently amended) The method of claim 40 wherein immediately after shot peening the at least a portion of a surface of the sintered part, the at least a portion of the surface of the sintered part that was shot peened is uniformly densified to a density of at least 98 percent of a theoretical density of the powder metal part to a depth ranging from 0.001 inches to 0.040 inches.
- 43. (currently amended) The method of claim 40 wherein immediately after shot peening the at least a portion of a surface of the sintered part, the at least a portion of the surface of the sintered part that was shot peened is uniformly densified to a density of at least 98 percent of a theoretical density of the powder metal part to a depth of at least 0.002 inches.
- 44. (currently amended) The method of claim 40 wherein immediately after shot peening the at least a portion of a surface of the sintered part, the at least a portion of the surface of the sintered part that was shot peened is uniformly densified to a density of at least 98 percent of a theoretical density of the powder metal part to a depth of at least 0.005 inches.
- 45. (currently amended) The method of claim 40 wherein immediately after shot peening the at least a portion of a surface of the sintered part, the at least a portion of the surface of the sintered part that was shot peened is uniformly densified to a density of at least 98 percent of a theoretical density of the powder metal part to a depth of at least 0.010 inches.
- 46. (currently amended) The method of claim 40 wherein immediately after shot peening the at least a portion of a surface of the sintered part, the at least a portion of the surface of the sintered part that was shot peened is uniformly densified to full density to a depth ranging from 0.001 inches to 0.040 inches.

- 47. (original) The method of claim 40 wherein after sizing, the at least a portion of the core region has a density of at least 92 percent of a theoretical density of the powder metal part.
- 48. (original) The method of claim 40 further comprising pre-sintering the part after molding and prior to sintering.

49-50. (cancelled)

- 51. (currently amended) A method of forming a powder metal part comprising: molding a low-alloy an iron-base powder metal composition into a part comprising at least one tooth having a root region and a flank region; sintering the green part to provide a sintered part;
  - subsequent to sintering the green part, shot peening at least a portion of a surface of the sintered part in at least one of the tooth root region and the tooth flank region to densify the at least a portion of the surface; and
  - forging the part to densify at least a portion of a core region of the part and provide a forged part;
  - at least one of (i) quenching and tempering the forged part and (ii) carburizing the forged part; and
  - at least one of shot peening, surface rolling, and honing at least a portion of the surface the forged part to introduce compressive stresses into the at least a portion of the surface.
- 52. (original) The method of claim 51 wherein the part is selected from the group consisting of a gear and a sprocket.

- 53. (currently amended) The method of claim 51 wherein immediately after shot peening the at least a portion of a surface of the sintered part, the at least a portion of the surface of the sintered part that was shot peened has a density of at least 98 percent of a theoretical density of the powder metal part.
- 54. (currently amended) The method of claim 51 wherein immediately after shot peening the at least a portion of a surface of the sintered part, the at least a portion of the surface of the sintered part that was shot peened is fully dense.
- 55. (currently amended) The method of claim 51 wherein immediately after shot peening the at least a portion of a surface of the sintered part, the at least a portion of the surface of the sintered part that was shot peened is uniformly densified to a density of at least 98 percent of a theoretical density of the powder metal part to a depth ranging from 0.001 inches to 0.040 inches.
- 56. (currently amended) The method of claim 51 wherein immediately after shot peening the at least a portion of a surface of the sintered part, the at least a portion of the surface of the sintered part that was shot peened is uniformly densified to a density of at least 98 percent of a theoretical density of the powder metal part to a depth of at least 0.002 inches.
- 57. (currently amended) The method of claim 51 wherein immediately after shot peening the at least a portion of a surface of the sintered part, the at least a portion of the surface of the sintered part that was shot peened is uniformly densified to a density of at least 98 percent of a theoretical density of the powder metal part to a depth of at least 0.005 inches.
- 58. (currently amended) The method of claim 51 wherein immediately after shot peening the at least a portion of a surface of the sintered part, the at least a portion of the surface of the sintered part that was shot peened is uniformly

densified to a density of at least 98 percent of a theoretical density of the powder metal part to a depth of at least 0.010 inches.

- 59. (currently amended) The method of claim 51 wherein immediately after shot peening the at least a portion of a surface of the sintered part, the at least a portion of the surface of the sintered part that was shot peened is uniformly densified to full density to a depth ranging from 0.001 inches to 0.040 inches.
- 60. (original) The method of claim 51 wherein after forging, the at least a portion of the surface of the part that was shot peened is essentially free of finger oxides.
- 61. (original) The method of claim 51 wherein after forging, the at least a portion of the core region of the part has a density of at least 98 percent of a theoretical density of the powder metal part.
- 62. (original) The method of claim 51 wherein after forging, both the surface and the core region of the iron-base powder metal part have full density.
- 63. (original) The method of claim 51 further comprising pre-sintering the compact after molding and prior to sintering.

64-100. (cancelled)

101. (previously presented) A method of forming a powder metal material comprising:

molding a powder metal composition into a compact; sintering the compact;

at least one of peening and surface rolling at least a portion of a surface of the compact after sintering to densify the at least a portion of the surface;

sizing the compact after shot peening to densify at least a portion of a core region of the compact;

at least one of (i) quenching and tempering the compact after sizing and (ii) carburizing the compact after sizing; and

at least one of shot peening, surface rolling, and honing at least a portion of a surface of the compact, thereby introducing compressive stresses into the at least a portion of the surface of the compact, after sizing the compact.

102. (previously presented) A method of forming a powder metal material comprising:

molding a powder metal composition into a compact; sintering the compact;

at least one of peening and surface rolling at least a portion of the surface of the compact after sintering to densify the at least a portion of the surface;

forging the compact to densify at least a portion of a core region of the compact;

at least one of (i) quenching and tempering the compact after forging and (ii) carburizing the compact after forging; and

at least one of shot peening, surface rolling, and honing at least a portion of a surface of the compact, thereby introducing compressive stresses into the at least a portion of the surface of the compact.

103. (currently amended) The method of claim 102, wherein the powder metal composition is a low-alloy an iron-containing powder metal composition.

104. (previously presented) A method of forming a powder metal part comprising:

molding a powder metal composition into a green part comprising at least one tooth having a root region and a flank region;

sintering the green part;

subsequent to sintering the green part, shot peening at least a portion of a surface of the part in at least one of the tooth region and the tooth flank region to densify the at least a portion of the surface;

forging the part to densify at least a portion of a core region of the part;

at least one of (i) quenching and tempering the part after forging and (ii) carburizing the part after forging; and

at least one of shot peening, surface rolling, and honing at least a portion of a surface of the part, thereby introducing compressive stresses into the at least a portion of the surface of the part.